

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of June 20, 2007
Lansing Center, Rooms 101-102, 333 E. Michigan Avenue, Lansing
9:00 AM

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees commenced at 9:05 AM.

The following Board members were present:

Keith Charters
Bob Garner
Frank Torre

Ms. Pollack and Mr. Washington were not in attendance due to prior commitments.

Also in attendance were various staff members of the Department of Natural Resources (DNR) and other interested parties.

I. ADOPTION OF MINUTES FOR APRIL 18, 2007.

Chairperson Garner called for the adoption of the April 18, 2007 Board meeting minutes.

**MOVED BY MR. TORRE, SUPPORTED BY MR. CHARTERS, TO APPROVE
THE MINUTES OF THE APRIL 18, 2007 MNRTF BOARD MEETING.
PASSED.**

II. ADOPTION OF AGENDA FOR MEETING OF JUNE 20, 2007.

Chairperson Garner called for the adoption of the agenda for the June 20, 2007 Board meeting.

**MOVED BY MR. CHARTERS, SUPPORTED BY MR. TORRE, TO APPROVE
THE AGENDA OF THE JUNE 20, 2007 MNRTF BOARD MEETING.
PASSED.**

III. PUBLIC APPEARANCES.

Mr. Matt Heiman and Mr. Brian Price, Leelanau Conservancy (representing Elmwood Township) – 07-039, DeYoung Natural Area Conservation Easement Acquisition, Elmwood Township

Mr. Matt Heiman and Mr. Brian Price of the Leelanau Conservancy made a presentation in support of 07-039, DeYoung Natural Area Conservation Easement Acquisition, Elmwood Township. They provided maps and a narrative to the Board.

Mr. Price pointed out the location of the proposed acquisition to the Board via a map. The property is a mile and a half from the city of Traverse City and is close to Elmwood Township's other recreational areas. It is also close to an assisted living facility. This acquisition was discussed with Mr. DeYoung, the owner of the property, 18 years ago. The property was identified as a priority to acquire for the public for recreation.

The property is 145 acres in total, although the application states 139.5 acres. Cedar Lake is a 246-acre lake. The acquisition would provide 4,500 feet of shoreline on the lake. There are great fishing opportunities, as well as cedar forests, deeryard habitat, and wetlands. The TART Leelanau Trail, which is heavily used, also traverses in the area. There is an historic farmstead and buildings. This will be left out of the conservation easement. The reason for leaving it out is it is unknown what the use of the farmstead and buildings will be in the future, but they are to be preserved.

Mr. Price further stated that a handicapped-accessible fishing pier will be completed in August and will be connected to the TART Trail. The Grand Traverse Sport Fishing Association has toured the property and wants to help build the trail and manage the fishing pier. There is limited hunting opportunity as the property is close to the city of Traverse City, but hunting has occurred on the upper portion. There are other partnerships involved in development aspects, such as a water spot and bathrooms on the trail.

Elmwood Township is asking the MNRTF to finance the purchase of the conservation easement. The Leelanau Conservancy owns the property at this time (purchased last June) and feels they would be the best manager of the property. The township has a volunteer parks and recreation committee and do not have experience in managing recreational property. A conservation easement would help the township finance the project, with the conservancy continuing to manage the property.

Mr. Price added that the State of Michigan could be the back-up grantee for the property.

Mr. Charters asked why the conservancy would buy a piece of property and then just sell a conservation easement. He wondered if there was a chance that a condo development would be built on the property. He feels the conservancy is trying to get the MNRTF to finance the property after the fact. Mr. Price responded that is correct, but normally the land conservancy talks to the unit of government about owning the property. The conservancy asked Elmwood Township if they wanted to purchase the property, and they preferred that the conservancy own and manage it. The township would own the conservation and access easement.

Mr. Charters feels in this particular case we are putting "the cart before the horse" and it is an after-the fact financing issue. Mr. Heiman responded that the property is nowhere near paid for and is under mortgage at this time (\$1.5 million). Mr. Charters said it is a beautiful piece of property, but he is concerned about the conservancy asking for funding for the township after the property was acquired. Mr. Price reiterated that this is how it has always been done. Mr. Charters asked why the conservancy needed to finance the property, and what would happen if the MNRTF Board did not recommend funding. Mr. Price responded that the conservancy reserved the option to sell the farmhouse and five acres, although they do not want to do that. There has been \$670,000 raised by the public which would preserve the entire lakefront piece, but want to preserve the entire property.

Mr. Charters does not like the fact that the MNRTF would be buying development rights from the conservancy because it implies that there will be a condo development on the property. This project is merely a financing after the fact. Mr. Price stated that is correct, but the alternative would not be much different. If it was better for Elmwood Township to own it, the conservancy would still be coming to the Board at this point in the process. In this case, Elmwood Township and the conservancy agree that the conservancy is the best long-term manager of the property.

Mr. Charters wondered why the MNRTF Board would need to recommend funding for this acquisition as it is already bought and preserved for future generations.

Chairperson Garner stated that other conservancies would want to present a list of lands they own and ask the MNRTF Board to purchase the development rights. In addition, the conservancy is saying that if the acquisition is not recommended, that five acres are lost. Mr. Price responded that the MNRTF can guarantee this project goes through in the way that the conservancy envisioned with Elmwood Township. The conservancy is only about \$300,000 short of being able to fund the whole property. If the grant does not go through, the conservancy must rethink the whole project. The financing will probably be extended and private fundraising will be relaunched. Mr. Charters commented he has a hard time comprehending buying development rights from a conservancy, where the land would be protected anyway.

At this point, Chairperson Garner introduced Chief Deputy Dennis Fedewa, and staff from the DNR's Grants Management.

Mr. Richard Powers, Deputy Supervisor, Grant Township – 07-099, Hunter's Point Park Acquisition

Mr. Richard Powers, Deputy Supervisor for Grant Township, made a PowerPoint presentation in support of 07-099, Hunter's Point Park Acquisition-Phase II. Phase I purchase was completed in 2005. Phase II will place an additional 122 acres in public ownership.

This property is located at the west end of Copper Harbor Bay and adjacent to Hunter's Point Park. Phase I acquisition included 2,730 feet of Lake Superior shoreline along the park. Phase II acquisition would include approximately 830 feet of Lake Superior shoreline and 1,900 frontage on Copper Harbor Bay.

The traditional exit to Hunter's Point from the marina is via a hiking trail. Hunter's Point Phase I acquisition provided permanent access to Hunter's Point Park. The parking area is owned by Grant Township. Subdivision roads will be turned over sometime in the future to become public roads.

A future handicapped-accessible board walk is being planned for the park.

This phase of the acquisition will preserve the traditional trail from Hunter's Point Park. Valuable natural resources will be protected and permanent, public access with significant Lake Superior shoreline will be guaranteed for future generations. The purchase of the north side of Brockway Mountain will provide a linkage between Hunter's Point Park, the marina, and the James Rooks Nature Preserve. The trail being used in the Phase II portion of the acquisition is presently being used with permission of the landowners.

Mr. Powers outlined various aspects of the acquisition via maps and photographs provided in the PowerPoint presentation.

The Hunter's Point Park Acquisition Phase II project is estimated to be approximately \$2.2 million. The local 36% match will consist of \$600,000 in donations and the balance coming from land donations by the owners.

Mr. Torre asked how much the township was seeking from the MNRTF. Mr. Powers responded the township is asking for 1.4 million.

Mr. Charters asked about the Phase I acquisition. Mr. Powers stated that that the purchase was completed in 2005.

Ms. Sue Nyquist, Chief Planner, and Mr. Paul Mulley, Chief of Natural Resources, Huron-Clinton Metropolitan Authority – 07-028, Indian Springs Metropark Land Acquisition

Ms. Sue Nyquist, Chief Planner, and Mr. Paul Mulley, Chief of Natural Resources, Huron-Clinton Metropolitan Authority (HCMA), provided a PowerPoint presentation in support of 07-028, Indian Springs Metropark Land Acquisition. Ms. Nyquist also introduced staff members from Representative Stakoe's and Senator Cherry's offices that were in attendance to support this project. Other staff from HCMA were in attendance.

Mr. Mulley advised the Board that HCMA operates 13 parks throughout a five-county area surrounding the Detroit area (Wayne, Oakland, Macomb, Livingston, and Washtenaw counties). The parks encompass nearly 24,000 acres and serve over nine million visitors a year.

Indian Springs Metropark, where this project is located, is in Oakland County, Springfield and White Lake townships. The park opened in 1982. It is approximately 2200 acres and serves about 28,000 visitors a year. The existing facility includes an 18-hole golf course, nature center, over eight miles of hike/bike trail and a new environmental discovery center, which just recently opened. The center has a state-of-the-art educational facility with several classrooms, equipment and computers.

Indian Springs Metropark was surveyed in 2003 by the Michigan Natural Features Inventory where they documented five occurrences of exemplary plant communities. The metropark also contains a wide variety of wildlife species.

The metropark encompasses much of the Huron Swamp. The wetlands continue on to the west and they are the headwaters to the Huron River. It is recognizing the importance of protecting these areas is why HCMA is seeking to acquire the 287 acres adjacent to the Indian Springs Metropark.

The acquisition in the application is actually several parcels under two ownerships and is referred to as the Schmitt Lake property, in the northern and southeast sections. The Nelson property is to the south of Schmitt Lake. The Nelson property is 95 acres and is currently an equestrian facility and mostly rolling, gentle landscape. The Nelson family wishes to retain the southern 30 acres of the property and HCMA would be obtaining the northern 60 acres that borders Schmitt Lake. The Schmitt Lake property is 227 acres. The property is a mixture of diverse natural communities and habitats.

In 1997, the Michigan Natural Features Inventory identified natural areas and ecosystems in Oakland County. Out of the 114 sites identified, the Schmitt Lake complex ranked 19th. The area was also ranked as a Priority 1 and 2 natural areas in 2004 in Oakland County's potential conservation report. It was given the highest rating of importance by the Huron River Watershed Council in their remaining natural areas bio-reserve report in 2006.

From a recreational standpoint, the public would gain access to 287 acres of unique habitat, fishing, wildlife viewing, and the 2-1/2 miles of trails that run through the park for hiking and cross-country skiing. It would also connect to Indian Springs Metropark's existing eight miles of trail system.

Ms. Cindy Fuller, Mayor, City of Manistee – 07-040, Man Made Lake Acquisition

Ms. Cindy Fuller, Mayor of the city of Manistee, made a PowerPoint presentation in support of 07-040, Man Made Lake Acquisition. The property is 22 acres and the lake portion is 10 acres.

Sand Products Corporation has owned the property for over 50 years. In the first half of the 20th century, there was sand mining in the city of Manistee and Man Made Lake was part of this mining operation. The sand company shipped off sand for the automobile industry. The sand did not stop the water level.

To the northeast of the lake are five oil and gas wells. If this property is acquired, this would be a perfect opportunity to illustrate and showcase the relationship between state oil and gas revenues and acquisition of private property for public use of those funds. Harbor Village condominium development is located to the south and was built in 1991 on part of the abandoned dune site. As part of the development agreement, the city of Manistee reserved a youth corridor over the development lands to ensure there was always a visual and public access to Man Made Lake. On the other side of the lake is Dunes Subdivision. This is a single-family development with 24 homes.

The land to the shoreline of Man-Made Lake is privately owned. If developed, the residents of Manistee County and its visitors would lose this quarter-mile of frontage that would dissect potentially 1.3 miles of uninterrupted shoreline.

In 1995, the city entered into an agreement with Sand Products to lease the remainder of the property along Man Made Lake for recreational purposes. When the lease agreement issue was presented to the city council, they had always thought that this property was owned by the city. In 1997, the city bought two of the privately owned parcels.

The cost of the acquisition is \$3.15 million. Through negotiations, Sand Products has agreed to contribute \$750,000 towards the purchase. The "Citizens to Save Man Made Lake" committee has raised funds through private donations. At this point, the city has received \$144,300 in donations from this committee. There are two fundraisers planned.

The lake also provides a natural habitat for many birds. The Piping Plover, a threatened species, can be found at Man Made Lake. Several areas of Pitcher's Thistle, an endangered plant, are also found around the lake, along with other rare dune plants. In addition, this lake warms up sooner and stays warmer than Lake Michigan, and there is no undertow.

Mr. Robert Peven, Assistant Planning Director, Monroe County – 07-091, Academy Preserve Acquisition Project

Mr. Robert Peven, Assistant Planning Director for Monroe County, made a PowerPoint presentation in support of 07-091, Academy Preserve Acquisition Project. This acquisition meets the goals of the MNRTF Board for resource protection, providing recreational opportunities to the public, and water access—all within an urban setting. This area has a lot of potential for increasing tourism and revitalizing the economy.

Monroe County is in need of new land for recreation as the southeast corner of the state is growing. The goals in the county's recreation plan are to provide future park sites that are easily accessible to the public that have water frontage, natural features, and fishing opportunities. The county would also like to develop facilities in the parks, such as nature centers, habitat improvements, environmental education and trails.

The county operates five parks and tries to develop parks that the townships or cities cannot provide. The parks are larger, have more open space and have unique features. County parks are West County Park, Waterloo Park, Heck Park, Vienna Park and Nike Park.

Mr. Peven pointed out additional features of the county and its recreation areas via the PowerPoint presentation.

The Academy Preserve acquisition consists of a variety of habitat types, including an approximately six-acre island in the River Raisin, as well as 800 feet of river frontage on the mainland. Both of these sites are being proposed to be acquired and would be connected to the rest of the site through an easement. The Sisters will keep their main campus which contains the Mother House and St. Mary's Academy. The Sisters have sold off some of the property already, but are really interested in preserving the property for the public.

The northern half of the property that would be connected to the riverfront contains about 120 acres that is bounded on the north and south by urban creeks and contains a large area of woods. Also on the north is an old restored barn which the county would like to use as a nature and environmental center. This acquisition has received tremendous community support.

Mr. Steve Printz, Manager, Parks and Forestry Operations, City of Novi – 07-017, Novi Core Habitat Reserve Property Acquisition

Mr. Steve Printz, Manager of Parks and Forestry Operations for the city of Novi, made a presentation in support of 07-017, Novi Core Habitat Reserve Property Acquisition. This project is for the acquisition of 16.2 acres of forested wetland located within the headwaters of the Davis Creek branch of the Huron River. It would adjoin 253 acres of existing and future parkland owned by the city of Novi. This project is identified in the city's community recreation plan.

The property is located in the southwest core reserve area which is over 300 acres of continuous forest and wetlands. This is one of two core reserve areas designated in the city's 1996 wildlife habitat master plan. Core areas are areas of usually high conservation values and significant wildlife movement corridors and linkages. This area has also been designated as a Type A high quality habitat.

Earlier this year the natural features on the site were studied by Klatt Environmental Associates. In the report it was indicated that the property lies within a key location within a larger core reserve area. The Michigan Natural Features Inventory designated the property as a Priority 1 natural area. The Klatt study indicated that if the property is not protected, it would cut the core reserve area in half. If the property is developed, there would be a loss of certain species.

One of the key linkages to the property is the ITC corridor, which lies directly east of the property. If acquired, this property would be part of the existing southwest core reserve, which would serve as a main parcel for southwest Novi. The city of Novi has undergone major growth within the last ten years and preservation of this area is key to sustaining long-term habitat. Since 2000, nearly 800 acres of undeveloped green space has been developed.

The acquisition of this property would allow the city to protect and preserve the last remaining core wildlife habitat, while protecting the headwaters of the Davis Creek branch of the Huron River. There would be no entrance fees to access the property. There has been much support from homeowners, conservancies, Huron River Watershed Council, Oakland County Parks and other groups.

Mr. John A. Scholtz, Manager, Parks and Recreation Commission, Ottawa County – 07-090, Olive Shores Acquisition.

Mr. John A. Scholtz, Manager of the Parks and Recreation Commission for Ottawa County, made a PowerPoint presentation in support of 07-090, Olive Shores Acquisition. Mr. Scholtz stated his and the citizens of Ottawa County's appreciation for the MNRTF providing funding for recreational opportunities to the county in the past.

Mr. Scholtz pointed out the county park system to the Board via a map. Over the past ten years, approximately 3,000 acres have been added to the county park system. He feels the county has a 15- to 20-year timeframe to add land to the park system because of rapid growth. Ottawa County is one of the three fastest growing counties in the state, with population projected to be 393,000 by 2020.

The county has several parks on Lake Michigan, among them Grand Haven State Park and Holland State Park. These are the two highest used parks in the state parks system. In addition, there are four county owned parks on Lake Michigan. Rosy Mound is one of the county parks where the MNRTF provided funding. This provides a natural outdoor experience on the shoreline and is heavily used. On any given summer weekend, all the parks in Ottawa County are filled to capacity.

The county feels the Olive Shores acquisition project is their last opportunity to acquire a large piece of shoreline. In 2001, the county purchased 200 feet of the property. Just south of that property there is 438 feet of undeveloped frontage and north is 100 feet, where the county has been able to talk to the owners and get options on the parcels.

Mr. Scholtz pointed out the parcels via a map and photographs on PowerPoint. If the Olive Shores property is acquired, this county park would be 20 acres in size. Future development would include a 50-car parking lot, trails and a stairway up and over the dunes. In addition, a nature center is under design at this time which would be built 2-1/2 miles from this property.

The property is under option at \$7,000 a front foot, which is lower than the cost of most lakefront property in the area. The total project cost would be \$3,294,000 and the county is asking the MNRTF for \$2 million.

Ms. Helen Taylor, Director, The Nature Conservancy

Ms. Helen Taylor, Director of The Nature Conservancy, made some comments regarding easements. She feels all of us have the same goal—to protect the natural assets of the state. Demands have been higher for MNRTF monies and real estate costs are rising.

There have been discussions over the last couple of years as to how to leverage MNRTF dollars. One example was when the constitution was changed in 2002 for the MNRTF funds to be managed in a more aggressive way. A former Board member, Mr. Steve Arwood, formed a committee to further explore easements, as a way to possibly use fewer dollars in order to achieve the same result. Another example was funding multi-year grants. There also were discussions to look at using funds from the MNRTF to go into revenue bonding, which would make the money stretch further.

Ms. Taylor also mentioned it is not viable to think of new state parks at this time. One way for the MNRTF to achieve its goals in conservation was partnerships between local units and conservancies. Governments are not burdened with long-term management if the property is owned by another entity. If a conservancy went out of business, the state owns the highest risk rights in land. She feels that development rights are a creative way to address the issue of conservation.

Mr. Charters stated that he understands the need to stretch MNRTF dollars and multi-year grants. Revenue bonds make him a bit nervous. He further stated that the MNRTF Board and procedures exist for a reason. If the Board gets into too many multi-year grants or spending future revenues, they would only have to meet about every three years. This is what he is trying to avoid. He feels the conservancies are doing a great job, but the thing he's concerned about is individual local units of government getting their share of funds. He wants to spend today's money today and not obligate funding for future projects.

Chairperson Garner stated that in the original MNRTF bill, easements were written in to acquire "lands or rights in lands." The Board has a fiduciary responsibility to the citizens of the State of Michigan to make sure that everything is looked at and no one takes funding for granted.

Mr. Mark Brochu, Director, St. Clair County Parks and Recreation

Mr. Mark Brochu, Director of Parks and Recreation for St. Clair County, made some comments regarding the DNR's naming policy. As a member of the Michigan Recreation and Park Association and the Michigan Association of County Parks and Recreation Officials, these groups have been advocating for the MNRTF Board to lift the naming restriction on all grant applicants.

Mr. Brochu stated that sometimes there are some unique opportunities to have the ability to consider a name on a property. The key, however, is that the MNRTF gets the recognition for the huge impact in their investment of the project. He further stated that his organizations would like the MNRTF Board to consider a naming policy to enable grantees to react to certain opportunities that may happen only at the request of the seller, or as a requirement of the seller, that the recreation site be named after them.

Mr. Brochu also made some comments regarding easements. He is concerned that if a township did not want to own or have legal obligations into a project, that's a "red flag." The grantee could acquire the property and arrange for volunteers to manage it.

Mr. Charters asked Ms. Taylor if The Nature Conservancy was in favor of the proposed naming policy. Ms. Taylor responded that The Nature Conservancy does not have a position on this policy.

Mr. Mark Knauss, President, Village of Lake Ann – 07-024, Lake Ann Lakefront Park Acquisition

Mr. Mark Knauss, President of the Village of Lake Ann, made a presentation in support of 07-024, Lake Ann Lakefront Park Acquisition. He provided a notebook containing photographs and other information regarding the acquisition project.

The property would be to acquire 1.65 acres with 164 feet of frontage on Lake Ann for swimming and fishing. There is an investor who is willing to acquire the property and hold it until the village can obtain funding. This is a once in a lifetime opportunity for the village to acquire this property. The village of Lake Ann is one of the fastest growing areas in Benzie County. The community has held fundraisers as part of the match for the acquisition.

The property can be divided into five parcels for development, and if the property is not acquired by the village, will most likely be developed.

Chairperson Garner asked what the public access situation was on Lake Ann. Mr. Knauss responded that there is a public access in the state park, where there is a boat launch and campground.

Mr. Torre asked what the acquisition price of the property would be. Mr. Knauss responded the village is asking \$514,000 from the MNRTF.

Mr. Charters mentioned a letter the Board had received from the "Concerned Citizens of Lake Ann" in opposition to the project. Chairperson Garner asked Mr. Flaherty of the group if he wished to make any comments at this time. Mr. Flaherty declined.

IV. OLD BUSINESS.

2007 Application Review – Notebooks

Mr. James Wood, Manager, Grants Management, DNR, briefly outlined the 2007 application review notebooks that the Board had been provided. Staff will bring a notebook to each meeting so Board members do not have to continue to bring their copies to each meeting.

Naming Policy Update

Mr. Dennis Fedewa, Chief Deputy, DNR, outlined the DNR's naming policy for the Board. The first draft policy was provided to the Board at their June 21, 2006 meeting. Since that date, DNR staff has refined the policy. It was endorsed by the Citizens Committee on State Parks and Waterways Commission. The Forest Management Advisory Committee has approved the policy unofficially, as they did not have a quorum at their last meeting. It is anticipated that they will officially approve the policy at their upcoming June 12, 2007 meeting.

Since the MNRTF Board's last meeting on April 18, 2007, Mr. Fedewa has met with Ms. Pollack regarding suggested language changes to the policy. He discussed with Ms. Pollack that amending the resolution would take into account her language proposals. This amendment to the resolution states: "Further Resolved, that the language changes suggested [by] Board Member Pollack contained in her April 18, 2007 memorandum to be seriously considered by the Natural Resources commission and the Department prior to finalization."

**MOVED BY MR. CHARTERS, SUPPORTED BY MR. TORRE TO APPROVE
THE DNR'S NAMING POLICY WITH MS. POLLACK'S RECOMMENDATIONS.
PASSED.**

Mr. Fedewa pointed out that the policy will go before the Natural Resources Commission's Land Committee for further discussion. He also has been discussing the policy, as a second-tier consultation, with the Michigan Recreation and Park Association. The DNR would like to hear public input from other major stakeholders and partners.

Mr. Charters asked Mr. Fedewa to follow up with Ms. Helen Taylor to get their input.

Mr. Fedewa stated that the policy is a DNR and Natural Resources Commission naming policy. Once the naming policy is finalized and in place, we will review how the policy will fit in to the MNRTF Board's naming policy as it exists today, so it will be more in line with the DNR's and Commission's policy. Mr. Charters asked when it will come before the Natural Resources Commission's Land Committee. Mr. Fedewa responded that that is up to the discretion of the chair. The DNR would like to get some input from its major partners, but he is estimating by the August Land Committee meeting.

Jean Klock Park, City of Benton Harbor Conversion Update

Mr. Wood advised the Board that at the April 18th Board meeting, Ms. Pollack requested of an update on the Jean Klock Park conversion. A written update has been provided to the Board in their materials. Mr. Fedewa and Mr. Wood have met with Ms. Pollack and discussed the conversion update with her.

V. NEW BUSINESS.

Detroit Tricentennial Conversion

Mr. Wood outlined the conversion and mitigation proposal for Tricentennial Park (St. Aubin Marina). As part of the overall riverfront development, the city has been trying to do some work along the riverfront. To accomplish this, the city needs some pieces of property that were formerly assisted from the MNRTF. These are as follows:

Tricentennial Park, what was known as St. Aubin Marina: A 10' x 200' portion will be converted for expansion and improvement of Atwater Street.

Mt. Elliot Park: A total of 2.46 acres would be converted. Two parcels totaling 0.75 acres will be conveyed to the U.S. Coast Guard. This is necessary for homeland security purposes. The remaining 1.71 acres will be part of an adaptive re-use commercial development that includes the historic Light House Depot.

In exchange for these parcels, the city of Detroit has offered 13.68 acres of riverfront property adjacent to the existing Tricentennial Marina. This property will continue to be leased to the DNR for development of the Tricentennial Park. The property will be leased on a 30-year lease basis. If this conversion is approved, the city will commit to keeping this property in public ownership in perpetuity.

The appraisals have been reviewed by the DNR's Office of Land and Facilities.

Chairperson Garner asked if there was any reason to hold action on the conversion over until all Board members were present. Mr. Fedewa responded that this has been discussed with Ms. Pollack. She did indicate some concerns of a neighbor of some property, but she was not recalling if it was associated with this project. He had informed her that if documentation was completed, that it would be presented to the Board for action. There is a matter of timing in consummating the lease with the city of Detroit in order to get into phase two of the construction season. There are a number of funding sources that have been committed to phase two and under some constraints.

MOVED BY MR. CHARTERS, SUPPORTED BY MR. TORRE, TO APPROVE THE PROPOSED CONVERSION AT MT. ELLIOTT PARK AND ST. AUBIN MARINA, CITY OF DETROIT, AS RECOMMENDED BY STAFF. PASSED.

MNRTF Plaque Logo

Mr. Wood advised the Board that Castco Products has been the supplier of the MNRTF plaques for a number of years. They have recently changed owners and after discussion with the new owners, it has been difficult for them to produce the plaques. They have asked to be relieved of producing these plaques. Grants Management staff is in the process of looking for a new vendor to make the plaques.

At the staff level, there have been discussions about changing the design of the plaque. Mr. Wood showed the Board an example of what the new sign could look like and outlined the new verbiage.

Board members thought these changes would be acceptable.

TF03-115 and TF04-105, Denison South Acquisition, City of Saugatuck – **FORMAL WITHDRAWAL**

Mr. Wood advised the Board that a formal withdrawal was being presented to the Board for their motion to accept the withdrawal for TF03-115 and TF04-105, Denison South Acquisition, City of Saugatuck.

MOVED BY MR. TORRE, SUPPORTED BY MR. CHARTERS TO ACCEPT THE WITHDRAWAL OF TF03-115 AND TF04-105, DENISON SOUTH ACQUISITION, CITY OF SAUGATUCK. PASSED.

Special MNRTF Meeting Session – August

Chairperson Garner stated that he is looking forward to this session. He realizes it encumbers a lot of time from staff and the Board, but he feels the Board needs to do this once every few years.

Mr. Wood briefly outlined the nature of the special MNRTF meeting. At the Board's April meeting, Chairperson Garner asked where the MNRTF was at the present time with revenues, what the status of the corpus of the MNRTF was and other questions regarding the program. Mr. Wood has discussed these topics with the DNR's Office of Land and Facilities, Forest, Mineral and Fire Management Division and other DNR staff. It was suggested that the best opportunity to have a discussion of these topics and others regarding the program would be to have an afternoon session after the regular MNRTF Board meeting in August.

He would like concurrence from the Board if they wished to proceed with a special MNRTF Board to discuss these topics and others. It would be held the afternoon of August 15, the date of their regular Board meeting.

Chairperson Garner added that the Board needs to know about bonding issues and what is happening with land prices in the state.

Mr. Charters asked Mr. Wood if the Board has had a current update on estimated state oil and gas reserves. Mr. Wood responded that it has been several years. Mr. Charters stated that that would have a big impact on the issue of bonding. Chairperson Garner added that we need to know when the MNRTF will hit the \$500 million cap and what is on the horizon for the program. Mr. Fedewa responded that oil and gas reserves could be discussed at the special session of the August Board meeting.

**MOVED BY MR. TORRE, SUPPORTED BY MR. CHARTERS, TO HOLD
A "SPECIAL SESSION" OF THE AUGUST 15, 2007 MNRTF BOARD
MEETING. THE "SPECIAL SESSION" WILL BE HELD IN THE AFTERNOON
ON AUGUST 15, 2007. PASSED.**

VI. STATUS REPORTS.

DNR Real Estate Report

Mr. Wood stated that the report was included in the Board's materials. No discussion.

Local Projects Completion Report

The report was included in the Board's materials. Chairperson Garner commented that one of the completed acquisition projects, City of Caspian, was one of the first projects that were recommended for funding when he first was appointed to serve on the MNRTF Board.

Financial Report

Mr. Charters had some questions on the "Projected Available for 2006 Cycle Projects." Mr. Wood stated this should be "2007." Mr. Charters asked if the \$28,837,690 figure includes the Denison funds from the projects withdrawn. Mr. Wood responded no. The money from the Denison funds is put in the Stabilization Fund. Mr. Charters stated the next time he is in Lansing for Natural Resources Commission business, he would like Mr. Wood to further outline the Stabilization Fund.

Mr. Charters also asked about the Forest, Mineral and Fire Management expenditure of \$862,600 for 2006 and \$993,100 for 2007. He would like to know why this figure keeps going up. Mr. Fedewa stated that Mr. Charters and the Board will be provided an answer to this question.

MNRTF Lump Sum and Line Item Department Projects

The report was included in the Board's materials. No discussion.

VII. OTHER MATTERS AS ARE PROPERLY BROUGHT BEFORE THE BOARD.

At this point, Ms. LuAnne Kozma, Michigan Director of Defense of Place, wished to make some comments on the Jean Klock Park, City of Benton Harbor Conversion Update. Chairperson Garner informed her that the Public Appearance portion of the meeting was closed. If Ms. Kozma wished to provide some input, she could contact the Board in writing or phone. Ms. Kozma said she had been waiting to hear the update on the Jean Klock Park conversion update. She stated that it was brief and could hardly

hear Mr. Wood. Chairperson Garner responded that Mr. Fedewa could meet with her after the meeting to discuss the update.

Mr. Fedewa stated that staff would like to request an Executive Session to brief the Board on the status of the litigation on the Blackstone case.

Chairperson Garner asked for a motion to go into an Executive Session for the basis of discussing the status of the litigation on the Blackstone case.

MOVED BY MR. TORRE, SUPPORTED BY MR. CHARTERS, TO GO INTO AN EXECUTIVE SESSION TO DISCUSS THE STATUS OF THE LITIGATION OF THE BLACKSTONE CASE. PASSED.

ADJOURNED AT 11:40 AM TO GO INTO EXECUTIVE SESSION.

REGULAR BOARD MEETING RECONVENED AT 11:50 AM.

Chairperson Garner asked Mr. Charters to provide the minutes from the Executive Session. Mr. Charters reported that at 11:40 AM the meeting was called to order by Chairperson Garner. The issue was to discuss the Blackstone case. The Board Trustees were informed of the current status. At 11:50 AM, it was moved to adjourn the Executive Session.

VIII. ANNOUNCEMENTS.

The next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 AM, Wednesday, August 15, 2007, Lansing Center, Governor's Room, 333 E. Michigan Avenue, Lansing, Michigan.

There will be an additional "special session" of the MNRTF Board meeting in the afternoon. This will be to discuss the direction of the MNRTF Program.

IX. ADJOURNMENT.

MOVED BY MR. CHARTERS, SUPPORTED BY MR. TORRE, TO ADJOURN THE MEETING. PASSED.

The meeting was adjourned at 11:55 AM.

Bob Garner, Chairperson
Michigan Natural Resources Trust Fund
Board of Trustees

James Wood, Manager
Grants Management

DATE

